



**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA**

UNITED STATES OF AMERICA,

Plaintiff,

v.

HOOTAN MELAMED,

Defendant.

Case No. 16CR1409-H

SUPERSEDING INFORMATION

Title 18, United States Code, Section 371 –
Conspiracy to Commit Health Care Fraud,
and Title 28, U.S.C., § 2461(c) – Criminal
Forfeiture

The United States charges, at all times material:

**COUNT 1
CONSPIRACY
18 U.S.C. § 371**

1. In 2013 and up until about September 2014, in the Southern District of California and elsewhere, Melamed and co-conspirators (indicted, elsewhere charged, and unindicted), including his partners (i.e., A.L.; S.C.; F.S.; and A.K.), marketers, medical professionals, attorneys, accountants and others conspired with one another to commit health care fraud, that is, to knowingly and with the intent to defraud, execute a material scheme to defraud a health care benefit program, and to obtain by means of materially false and fraudulent pretenses, representations, and promises, any of the money and property

1 owned by, and under the custody and control of a health care benefit program, in
2 connection with the delivery of and payment for health care benefits, items, and services,
3 in violation of Title 18, United States Code, Section 1347.

4 2. It was part of the conspiracy that Defendant and his co-conspirators offered to
5 pay, and paid, unlawful remuneration to marketers to induce the referral by medical
6 professionals of patients to New Age Pharmacy to fill patients' prescriptions for compound
7 creams and other pharmaceuticals.

8 3. It was part of the conspiracy that Defendant and his co-conspirators defrauded
9 health care benefit programs by submitting, and causing to be submitted, claims for
10 reimbursement for compounded drugs and other pharmaceuticals that were induced by the
11 payment of undisclosed kickbacks to marketers and medical professionals.

12 4. In 2013 and until on or about September 1, 2014, New Age was paid
13 approximately \$19.8 million by workers' compensation health care programs.

14 5. In furtherance of the conspiracy and in order to effect the objects thereof, the
15 following overt act was committed in the Southern District of California and elsewhere:
16 On or about June 27, 2014, New Age paid marketer Steven Howser (charged elsewhere),
17 through Monarch Marketing, \$24,250.00 in kickbacks for pharmaceutical prescriptions
18 Howser induced doctors to prescribe and send to New Age.
19 All in violation of Title 18, United States Code, Section 371.

20 FORFEITURE ALLEGATION

21 Upon conviction of the felony offense alleged in this Information set forth above and
22 pursuant to 18 U.S.C. §§ 981(a)(1)(C), 982(a)(7), and 28 U.S.C. § 2461(c), and Federal
23 Rule of Criminal Procedure 32.2, defendant HOOTAN MELAMED shall forfeit to the
24 United States any property, real or personal, which constitutes or was derived from proceeds
25 traceable to such violation.

26 If any of the above-described forfeited property, as a result of any act or omission of
27 HOOTAN MELAMED cannot be located upon the exercise of due diligence; has been
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transferred or sold to, or deposited with, a third person; has been placed beyond the jurisdiction of the Court; has been substantially diminished in value; or has been commingled with other property which cannot be subdivided without difficulty, it is the intent of the United States, pursuant to 21 U.S.C. § 853(p), made applicable herein by 28 U.S.C. § 2461(c), to seek forfeiture of any other property of HOOTAN MELAMED up to the value of the property subject to forfeiture.

ROBERT S. BREWER, JR.
United States Attorney

DATED: 11/2/2020


VALERIE H. CHU
Assistant U.S. Attorney